

Regular Meeting

Agenda Item #	3
Meeting Date	April 16, 2007
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	2nd Reading Ordinance Regarding FY07 Budget Amendment No. 3
Background	<p>The FY07 budget assumes proceeds in the amount of \$226,500 from the sale of a City-owned property located on Piney Branch Road, with the proceeds from the sale to be transferred from the General Fund to the Community Center Fund. The initial sales contract fell through due to the buyer's inability to secure financing, and subsequent discussions with another potential buyer were unsuccessful. It is anticipated that the property will be sold in FY08, requiring a reduction in General Fund revenues in FY07 and an adjustment in the amount to be transferred from the General Fund to the Community Center Fund.</p> <p>By adoption of Ordinance No. 2006-35, the City Council approved the purchase of a loader for the Public Works Department. A portion of the cost of the loader was to be funded by insurance proceeds received from the City in FY06 for the backhoe that the loader replaced, with the balance paid for from the Equipment Replacement Reserve. Because the backhoe was not scheduled for replacement for several years, the Director of Finance believes that the cost of the loader is more accurately reflected as a General Fund capital expenditure. The FY07 budget must be amended to reflect the cost of the loader.</p> <p>In FY07, the City Council approved an expansion of the City's take-home car program for police officers in FY07 to enhance the City's recruitment efforts as well as employee retention. Funding for leasing of the vehicles was included in the Capital Outlay section of the budget. The Director of Finance subsequently determined that the associated lease payment constituted a capital lease and that the lease payment should be reflected in the Debt Service section, necessitating an amendment to the FY07 budget.</p> <p>By Ordinance No. 2006-29, the City Council authorized the retention of Dr. Kenneth Baar to assist the City in the revision of its rent stabilization ordinance. An amendment to the Housing and Community Development Department budget is required to cover the cost of Dr. Baar's services.</p> <p>The Program Director for the Maryland International Corridor CSAFE successfully applied for a one-time equipment grant from the Governor's Office on Crime Control and Prevention. The FY07 budget must be amended to recognize the receipt of the \$12,000 grant.</p> <p>The Kellogg Foundation and the Wallace Genetic Foundation recently awarded grant funding for the development and implementation of a producer's only farmers market in the Takoma Langley Park Crossroads area; the City is serving as the fiscal agent for the Takoma Park Farmer's Market, which is implementing the project. During the fiscal year, \$55,000 of the grant monies will be expended, with the balance spent in FY08.</p>

	<p>The City was awarded a grant in the amount of \$149,100 to implement a variety of initiatives designed to increase the number of school age children who walk to and from school. It is anticipated that \$29,179 of the Safe Routes to School monies will be expended in FY07, requiring an amendment to the budget.</p> <p>First reading of the ordinance was held on April 9, 2007.</p>
Policy	The Code of the City of Takoma Park requires budget amendments to be approved by a two-reading ordinance.
Fiscal Impact	General Fund revenues will decrease by \$226,500. The amount of the operating transfer from the General Fund to the Community Center Fund would decrease from \$226,500 to \$100,000. General Fund expenditures would increase by \$130,315. Special Revenue Funds revenues would increase by \$96,179, with a corresponding increase in fund expenditures.
Attachments	Proposed FY07 Budget Amendment Ordinance No. 3
Recommendation	Staff recommends that the City Council accept the proposed ordinance for second reading.
Special Consideration	

**ORDINANCE NO. 2007-16
FY07 BUDGET AMENDMENT NO. 3**

WHEREAS, the FY07 budget assumes proceeds in the amount of \$226,500 from the sale of a City-owned property located on Piney Branch Road, with the proceeds from the sale to be transferred from the General Fund to the Community Center Fund; and,

WHEREAS, settlement on the aforementioned property will not occur in FY07, requiring a reduction in General Fund revenues in FY07 and an adjustment in the amount to be transferred from the General Fund to the Community Center Fund; and,

WHEREAS, by adoption of Ordinance No. 2006-35, the City Council approved the purchase of a loader for the Public Works Department; and,

WHEREAS, the background information presented in conjunction with Ordinance No. 2006-35 reflected that the loader would be funded with insurance proceeds and Equipment Replacement Reserve monies; and,

WHEREAS, because the backhoe was not scheduled for replacement for several years, the Director of Finance believes that the cost of the loader is more accurately reflected as a General Fund expenditure; and,

WHEREAS, the FY07 budget must be amended to reflect the expenditure of funds for the purchase of the loader; and,

WHEREAS, the City Council approved an expansion of the City's take-home car program for police officers in FY07 to enhance the City's recruitment efforts as well as employee retention; and,

WHEREAS, funding for leasing of the vehicles was included in the Capital Outlay section of the budget; and,

WHEREAS, the Director of Finance subsequently determined that the associated lease payment constituted a capital lease and that the lease payment should be reflected in the Debt Service section, necessitating an amendment to the FY07 budget; and,

WHEREAS, by Ordinance No. 2006-29, the City Council authorized the retention of Dr. Kenneth Baar to assist the City in the revision of its rent stabilization ordinance; and,

WHEREAS, an amendment to the Housing and Community Development Department budget is required to cover the cost of Dr. Baar's services; and,

WHEREAS, the Program Director for the Maryland International Corridor CSAFE applied for a one-time equipment grant from the Governor's Office on Crime Control and Prevention; and,

WHEREAS, of the \$25,000 requested, the Governor's Office on Crime Control and Prevention awarded the Maryland International Corridor CSAFE a grant in the amount of \$12,000; and,

WHEREAS, the FY07 budget must be amended to recognize the receipt of said grant funds; and,

WHEREAS, the Kellogg Foundation and Wallace Genetic Foundation recently awarded grant funding for the development and implementation of a producer's only farmers market in the Takoma Langley Park Crossroads area; and,

WHEREAS, the City is serving as the fiscal agent for the Takoma Park Farmer's Market, which is implementing the project; and,

WHEREAS, \$45,000 of the Kellogg Foundation grant funds and \$10,000 of the Wallace Genetic Foundation monies will be expended in FY07, necessitating an amendment to the FY07 budget; and,

WHEREAS, the City recently applied for grant funding from the Maryland Highway Safety Program's Safe Routes to School Program; and,

WHEREAS, the City was awarded a grant in the amount of \$149,100 to implement a variety of initiatives designed to increase the number of school age children who walk to and from school; and,

WHEREAS, it is anticipated that \$29,179 of the Safe Routes to School monies will be expended in FY07, requiring an amendment to the budget; and,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2007 Budget be amended as follows:

General Fund – Revenues

1. Reduce account 0001-3684, Sale of City Property, by \$226,500.

General Fund – Transfers

1. Transfer \$11,875 from account 9000-8200, Unappropriated Reserve, to account 5300-6140, Contracts, for the services of Dr. Kenneth Baar, who is assisting the City in the revision of its rent stabilization ordinance.
2. Transfer \$183,880 from account 9100-8000, Capital Equipment, to account 8000-7258, Police Car Lease, due to a change in accounting classification for the lease payments associated with the City's expanded take-home car program for police officers.
3. Reduce account 9200-8101, Community Center Transfer, by \$126,500.

General Fund – Expenditures

1. Appropriate \$130,315 to account number 9100-8000, Capital Outlay, to reflect the purchase of a loader for the Public Works Department.

Special Revenue Funds – Revenues

1. Appropriate \$12,000 to account 0010-3382, CSAFE Coordination, for a one-time equipment grant from the Governor's Office of Crime Control and Prevention.
2. Appropriate \$55,000 to account 0010-3913, Project for Public Spaces, for the development and implementation of a producer's only farmers market in the Takoma Langley Park Crossroads area.

3. Appropriate \$29,179 to account 0010-3921, Safe Routes to School, for implementation of a variety of initiatives designed to increase the number of school age children who walk to and from school.

Special Revenue Funds – Expenditures

1. Appropriate \$12,000 to account 0010-7237, CSAFE Coordination, for a one-time equipment grant from the Governor's Office of Crime Control and Prevention.
2. Appropriate \$55,000 to account 0010-7245, Project for Public Spaces, for the development and implementation of a producer's only farmers market in the Takoma Langley Park Crossroads area.
3. Appropriate \$29,179 to account 0010-7211, for implementation of a variety of initiatives designed to increase the number of school age children who walk to and from school.

Community Center Fund – Transfers

1. Reduce account 0050-3385, General Fund Transfer, by \$126,500.

SECTION 2. The City's Capital Improvement Program for FY07 shall be amended to reflect the purchase of the loader for the Public Works Department.

SECTION 3. This Ordinance shall become effective upon adoption.

Adopted this _____ day of _____ by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: